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HOUSE BILL 3302

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State of Washington                      60th Legislature                      2008 Regular Session  
By Representatives Fromhold, McDonald, and Armstrong

1            AN ACT Relating to the public works assistance account; amending  
2 RCW 43.155.050 and 43.155.050; reenacting and amending RCW 43.155.070;  
3 providing an effective date; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 43.155.050 and 2007 c 520 s 6036 are each amended to  
6 read as follows:

7            (1) The public works assistance account is hereby established in  
8 the state treasury. Money may be placed in the public works assistance  
9 account from the proceeds of bonds when authorized by the legislature  
10 or from any other lawful source. Money in the public works assistance  
11 account shall be used to make loans and to give financial guarantees to  
12 local governments for public works projects. Upon legislative approval  
13 of a specific list of projects, or after February 1st of each year as  
14 allowed for in RCW 43.155.070(7), the board may reimburse projects for  
15 allowable expenses incurred during the preceding fiscal year. Moneys  
16 in the account may also be appropriated to provide for state match  
17 requirements under federal law for projects and activities conducted  
18 and financed by the board under the drinking water assistance account.  
19 Not more than fifteen percent of the biennial capital budget

1 appropriation to the public works board from this account may be  
2 expended or obligated for preconstruction loans, emergency loans, or  
3 loans for capital facility planning under this chapter; of this amount,  
4 not more than ten percent of the biennial capital budget appropriation  
5 may be expended for emergency loans and not more than one percent of  
6 the biennial capital budget appropriation may be expended for capital  
7 facility planning loans. For the 2007-2009 biennium, moneys in the  
8 account may be used for grants for projects identified in section 138,  
9 chapter 488, Laws of 2005.

10 (2) The job development fund is hereby established in the state  
11 treasury. Up to fifty million dollars each biennium from the public  
12 works assistance account may be transferred into the job development  
13 fund. Money in the job development fund may be used solely for job  
14 development fund program grants, administrative expenses related to the  
15 administration of the job development fund program created in RCW  
16 43.160.230, and for the report prepared by the joint legislative audit  
17 and review committee pursuant to RCW 44.28.801(2). Moneys in the job  
18 development fund may be spent only after appropriation. The board  
19 shall prepare a prioritized list of proposed projects of up to fifty  
20 million dollars as part of the department's 2007-09 biennial budget  
21 request. The board may provide an additional alternate job development  
22 fund project list of up to ten million dollars. The legislature may  
23 remove projects from the list recommended by the board. The  
24 legislature may not change the prioritization of projects recommended  
25 for funding by the board, but may add projects from the alternate list  
26 in order of priority, as long as the total funding does not exceed  
27 fifty million dollars.

28 **Sec. 2.** RCW 43.155.050 and 2007 c 520 s 6037 are each amended to  
29 read as follows:

30 The public works assistance account is hereby established in the  
31 state treasury. Money may be placed in the public works assistance  
32 account from the proceeds of bonds when authorized by the legislature  
33 or from any other lawful source. Money in the public works assistance  
34 account shall be used to make loans and to give financial guarantees to  
35 local governments for public works projects. Upon legislative approval  
36 of a specific list of projects, or after February 1st of each year as  
37 allowed for in RCW 43.155.070(7), the board may reimburse projects for

1 allowable expenses incurred during the preceding fiscal year. Moneys  
2 in the account may also be appropriated to provide for state match  
3 requirements under federal law for projects and activities conducted  
4 and financed by the board under the drinking water assistance account.  
5 Not more than fifteen percent of the biennial capital budget  
6 appropriation to the public works board from this account may be  
7 expended or obligated for preconstruction loans, emergency loans, or  
8 loans for capital facility planning under this chapter; of this amount,  
9 not more than ten percent of the biennial capital budget appropriation  
10 may be expended for emergency loans and not more than one percent of  
11 the biennial capital budget appropriation may be expended for capital  
12 facility planning loans. For the 2007-2009 biennium, moneys in the  
13 account may be used for grants for projects identified in section 138,  
14 chapter 488, Laws of 2005 and section 1033, chapter 520, Laws of 2007.

15 **Sec. 3.** RCW 43.155.070 and 2007 c 341 s 24 and 2007 c 231 s 2 are  
16 each reenacted and amended to read as follows:

17 (1) To qualify for loans or pledges under this chapter the board  
18 must determine that a local government meets all of the following  
19 conditions:

20 (a) The city or county must be imposing a tax under chapter 82.46  
21 RCW at a rate of at least one-quarter of one percent;

22 (b) The local government must have developed a capital facility  
23 plan; and

24 (c) The local government must be using all local revenue sources  
25 which are reasonably available for funding public works, taking into  
26 consideration local employment and economic factors.

27 (2) Except where necessary to address a public health need or  
28 substantial environmental degradation, a county, city, or town planning  
29 under RCW 36.70A.040 must have adopted a comprehensive plan, including  
30 a capital facilities plan element, and development regulations as  
31 required by RCW 36.70A.040. This subsection does not require any  
32 county, city, or town planning under RCW 36.70A.040 to adopt a  
33 comprehensive plan or development regulations before requesting or  
34 receiving a loan or loan guarantee under this chapter if such request  
35 is made before the expiration of the time periods specified in RCW  
36 36.70A.040. A county, city, or town planning under RCW 36.70A.040  
37 which has not adopted a comprehensive plan and development regulations

1 within the time periods specified in RCW 36.70A.040 is not prohibited  
2 from receiving a loan or loan guarantee under this chapter if the  
3 comprehensive plan and development regulations are adopted as required  
4 by RCW 36.70A.040 before submitting a request for a loan or loan  
5 guarantee.

6 (3) In considering awarding loans for public facilities to special  
7 districts requesting funding for a proposed facility located in a  
8 county, city, or town planning under RCW 36.70A.040, the board shall  
9 consider whether the county, city, or town planning under RCW  
10 36.70A.040 in whose planning jurisdiction the proposed facility is  
11 located has adopted a comprehensive plan and development regulations as  
12 required by RCW 36.70A.040.

13 (4) The board shall develop a priority process for public works  
14 projects as provided in this section. The intent of the priority  
15 process is to maximize the value of public works projects accomplished  
16 with assistance under this chapter. The board shall attempt to assure  
17 a geographical balance in assigning priorities to projects. The board  
18 shall consider at least the following factors in assigning a priority  
19 to a project:

20 (a) Whether the local government receiving assistance has  
21 experienced severe fiscal distress resulting from natural disaster or  
22 emergency public works needs;

23 (b) Except as otherwise conditioned by RCW 43.155.110, whether the  
24 entity receiving assistance is a Puget Sound partner, as defined in RCW  
25 90.71.010;

26 (c) Whether the project is referenced in the action agenda  
27 developed by the Puget Sound partnership under RCW 90.71.310;

28 (d) Whether the project is critical in nature and would affect the  
29 health and safety of a great number of citizens;

30 (e) Whether the applicant has developed and adhered to guidelines  
31 regarding its permitting process for those applying for development  
32 permits consistent with section 1(2), chapter 231, Laws of 2007;

33 (f) The cost of the project compared to the size of the local  
34 government and amount of loan money available;

35 (g) The number of communities served by or funding the project;

36 (h) Whether the project is located in an area of high unemployment,  
37 compared to the average state unemployment;

1 (i) Whether the project is the acquisition, expansion, improvement,  
2 or renovation by a local government of a public water system that is in  
3 violation of health and safety standards, including the cost of  
4 extending existing service to such a system;

5 (j) The relative benefit of the project to the community,  
6 considering the present level of economic activity in the community and  
7 the existing local capacity to increase local economic activity in  
8 communities that have low economic growth; and

9 (k) Other criteria that the board considers advisable.

10 (5) Existing debt or financial obligations of local governments  
11 shall not be refinanced under this chapter. Each local government  
12 applicant shall provide documentation of attempts to secure additional  
13 local or other sources of funding for each public works project for  
14 which financial assistance is sought under this chapter.

15 (6) Before November 1st of each year, the board shall develop and  
16 submit to the appropriate fiscal committees of the senate and house of  
17 representatives a description of the loans made under RCW 43.155.065,  
18 43.155.068, and subsection (9) of this section during the preceding  
19 fiscal year and a prioritized list of projects which are recommended  
20 for funding by the legislature, including one copy to the staff of each  
21 of the committees. The list shall include, but not be limited to, a  
22 description of each project and recommended financing, the terms and  
23 conditions of the loan or financial guarantee, the local government  
24 jurisdiction and unemployment rate, demonstration of the jurisdiction's  
25 critical need for the project and documentation of local funds being  
26 used to finance the public works project. The list shall also include  
27 measures of fiscal capacity for each jurisdiction recommended for  
28 financial assistance, compared to authorized limits and state averages,  
29 including local government sales taxes; real estate excise taxes;  
30 property taxes; and charges for or taxes on sewerage, water, garbage,  
31 and other utilities.

32 (7) Prior to February 1st of each year, the board shall not sign  
33 contracts or otherwise financially obligate funds from the public works  
34 assistance account before the legislature has appropriated funds for a  
35 specific list of public works projects. After February 1st of each  
36 year, if the legislature has not acted on legislation that approves a  
37 specific list of public works projects, the board's recommended list is  
38 considered approved by the legislature, and the board may financially

1 obligate funds from the public works assistance account. The  
2 legislature may remove projects from the list recommended by the board.  
3 The legislature shall not change the order of the priorities  
4 recommended for funding by the board.

5 (8) Subsection (7) of this section does not apply to loans made  
6 under RCW 43.155.065, 43.155.068, and subsection (9) of this section.

7 (9) Loans made for the purpose of capital facilities plans shall be  
8 exempted from subsection (7) of this section.

9 (10) To qualify for loans or pledges for solid waste or recycling  
10 facilities under this chapter, a city or county must demonstrate that  
11 the solid waste or recycling facility is consistent with and necessary  
12 to implement the comprehensive solid waste management plan adopted by  
13 the city or county under chapter 70.95 RCW.

14 (11) After January 1, 2010, any project designed to address the  
15 effects of storm water or wastewater on Puget Sound may be funded under  
16 this section only if the project is not in conflict with the action  
17 agenda developed by the Puget Sound partnership under RCW 90.71.310.

18 NEW SECTION. **Sec. 4.** Section 1 of this act expires June 30, 2011.

19 NEW SECTION. **Sec. 5.** Section 2 of this act takes effect June 30,  
20 2011.

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